SCHEDULE F (Form 1040)

U. S. Treasury Department-Internal Revenue Service SCHEDULE OF FARM INCOME AND EXPENSES

(For computation of Self-Employment Tax, see page 4) Attach this schedule to your Income Tax Return, Form 1040

1957

For Calendar Year 1957, or other taxable year beginning

, 1957, and ending

, 195

Name and Address as shown on page 1, Form 1040

			E PERIOD COMPUTE held for draft, breeding ther livestock in column							
1. SALE OF LIVESTOCK RAISED			2. SALE OF	PRODUCE R	AISED		3. OTHER FARM INCOME			
Kind	Quantity	Amount	Kind	Quantity	Amount		tems	Amount		
urkeys ucks ees ither (specify):		\$	Grain. Hay Cotton Tobacco. Vegetables Fruits and nuts Dairy products Eggs Meat products Poultry, dressed Wool Honey Sirup and sugar. Other (specify):			Machine wo Breeding fee Wood and lu Other forest Agricultural ments Patronage d or refunds Other (special				
(1	Enter on line	e 1 of summary below)	. SALE OF PURCHASED LI		-	· II	Cittor on his	e 3 of Summary Den		
		a. Description			b. Date acquired	c. Gross sales price	d. Cost or other basis	e. Profit (or loss)		
Total (ent	on on line		elow)					\$		

nc6-16-73582-1

6. Farm expenses (from page 2)......|\$_____

7. Depreciation (from page 3).....

Total Deductions.....

8. Other farm deductions (specify):

9.

10. Net farm profit (or loss) (line 5 minus line 9) to be reported on line 9, page 1, Form 1040......\$

1. Sale of livestock raised.....\$

2. Sale of produce raised.....

3. Other farm income..... 4. Profit (or loss) on sale of purchased livestock and other purchased items.... Gross Profits*....\$

(Do not inclu	de perso					XABLE YEAR production of farm			surance,	repairs, etc. on you	ır dwell	ing) Page 2
,	1. Ite	ms		2. Am	ount			3. Items (Continued)			4. Amount (Continued)
Labor hired Feed purchased Seed and plants pur Machine hire Supplies purchased Cost of repairs and r Breeding fees Fertilizers and lime. Veterinary and med Gasoline, other fuel Storage and wareho Taxes Total of Colum	chased	enance or livestock il for farm bu	siness	of summary c	on pag	Interest or Water rer Rent of far Freight, ya Automobi Amortizat stateme Soil and stateme Other far el (cash meth	n farm nt, ele rm, po ardag le upk nion o ent) wate ent sho m exp nod) o	a notes and mo ctricity, and a ctricity, and a rt of farm, or ge, express, ar seep (farm sho f grain stora r conservation owing comput penses (specifications) r line 6, below	portgace teleph pastu ad truc are) ge fa on ex action; y): (acce		ch	
	T	and at Beginning	1		1		1	rear'' column)	I		1	nd at End of Year
Description (Kind of livestock, crops, or other products)	Quan-	of Year		Amount paid	Quan-	sed During Year Inventory value		During Year Inventory value	Quan-	Amount received	Quan-	Inventory value
Totals						\$						\$
		SUMMARY O	F INCO	,	OUCTI	ONS COMPUT	ED ON	AN ACCRUA	L ME			(Enter on line 1(a)
1(a). Inventory of live (b). Sales of livesto (c). Other farm in	stock, crome stock, ing of and pr	ops, and prod (specify):	orod- ased	\$s and 4)*	\$		7 8 8	Depreciation Other farm (specify):	n (from ded	ductions \$		

Kind of property (if buildings, state material of which con- structed). Exclude land and other nondepreciable property	2. Date acquired	3. Cost or other basis	Depreciation allowed (or allowable) in prior years	5. Method of computing depreciation	6. Rate (%) or life (years)	7. Depreciation for this year
		\$	\$			\$
	•	•		7, page 2 (accrual r		\$

SEE ADDITIONAL INCOME TAX INSTRUCTIONS FOR FARMERS ON SEPARATE SHEET

SELF-EMPLOYMENT TAX INSTRUCTIONS

For years ending after December 31, 1954, individuals deriving income from farming operations are subject to self-employment tax. See page 4 for computation of earnings from self-employment and self-employment tax.

Optional method.—A farmer has an option of figuring his net farm earnings for self-employment tax purposes only. If his gross income for the year from farming is not more than \$1,800, he may report two-thirds of his gross farm income instead of his actual net earnings from farming. If his gross income from farm self-employment is more than \$1,800 and his actual net earnings from farming are less than \$1,200, he may report \$1,200. For the purpose of the optional method, a partner should compute his share of gross profits from a farm partnership in accordance with the partnership agreement. In the case of guaranteed payments, his share is his guaranteed payment plus his share of the gross profits after such gross profits are reduced by all guaranteed payments of the partnership.

SHARE-FARMING ARRANGEMENTS

An individual who undertakes to produce a crop or livestock on land belonging to another for a proportionate share of the crop or livestock produced, or the proceeds thereof, is considered to be an independent contractor and a self-employed person rather than an employee. His net earnings should be reported on Schedule F (Form 1040) for income tax and self-employment tax purposes.

Farm rentals.—Rental income from a farm counts for social security purposes if the arrangement provides for material participation by the landlord and he does participate materially in the production of the crop or livestock or in the management of the production of the farm products. Such rental income is farm earnings and should be reported on page 1 or 2 of this schedule. "Material participation" means the taking of an important part in the actual production or in the making of management decisions.

MORE THAN ONE TRADE OR BUSINESS '

If an individual is engaged in farming and in one or more other trades or businesses, his net earnings from self-employment are the combined net earnings from self-employment of all trades or businesses carried on by him. Thus, the loss sustained in one trade or business will operate to reduce the income derived from another trade or business. In such cases, use both Schedule F (Form 1040) and Schedule C (Form 1040) to determine net profit from the farm and nonfarm activities, respectively. Make the combined calculation of self-employment tax on page 3 of Schedule C. Fill in only lines 11 through 13 on page 4 of Schedule F.

JOINT RETURNS

Where husband and wife file a joint income tax return, page 4 of this schedule should show the name of the one with self-employment income from farming. Where husband and wife each had self-employment income, a separate Schedule F, or a separate Schedule C, whichever is appropriate, must be filed by each. However, the total of the amounts shown as profit (or loss) from all businesses should, for income tax purposes, be reported on line 8 or 9, on page 1, Form 1040, and the combined self-employment tax should be entered on line 15, page 1, of Form 1040.

COMMUNITY INCOME

For the purpose of computing net earnings from self-employment (but not for income tax), if any of the income from a trade

or business is community income, all the income from such trade or business is considered the income of the husband unless the wife exercises substantially all the management and control of the trade or business, in which case all of such income is considered the income of the wife. (Also see instructions on partner-ships below.)

If separate income tax returns are filed by husband and wife, a complete Schedule F or Schedule C, whichever is appropriate, must be attached to the return of the one with self-employment income. Community income included on such a schedule must, however, be allocated, for income tax purposes, between the two returns (on line 8 or line 9, page 1, Form 1040) on the basis of the community property laws.

PARTNERSHIPS

In computing his combined net earnings from self-employment, a partner should include his entire share of such earnings from a partnership including any guaranteed payments. No part of that share may be attributed to the partner's wife (or husband) even though the income may, under State law, be community income. However, in the case of a husband and wife farm partnership, like other partnerships, the distributive share of each must be entered as partnership income in Schedule H, page 3, of Form 1040 for income tax purposes, and on line 11(b), page 4, of separate Schedule F for self-employment tax purposes. (Use separate Schedule C, page 3, to report non-farm income for social security purposes.)

EXCLUSIONS FROM SELF-EMPLOYMENT

In determining the amount of net earnings from self-employment from farming, the following items should be excluded:

Real estate rentals.—Rentals from real estate, including any personal property that is leased with the land. This includes rentals received in cash or crop shares. These amounts should be reported in Schedule G of Form 1040. See, however, "Farm Rentals" above which should be reported on page 1 or 2 of this

Property gains and losses.—Gains and losses from the sale, exchange, or involuntary conversion of capital assets and other property which is not held primarily for sale to customers. These amounts should be reported on separate Schedule D (Form 1040).

Net operating losses.—In determining the net earnings from self-employment, no deduction for net operating losses of other years shall be allowed. Such deduction should be reflected on line 11, page 1, Form 1040.

SCHEDULE SE (FORM 1040)

To assure proper credit to your account, be sure to enter your name and social security account number on Schedule SE (Form 1040) exactly as they are shown on your social security card. If you do not have a social security account number, you must get one. These account numbers are obtainable from any of the approximately 600 Social Security Administration offices throughout the country. The telephone directory or your local post office will give you the address. Do not delay filing your return beyond the due date.

Regardless of whether joint or separate returns, Form 1040, are filed by husband and wife, Schedule SE (Form 1040) must show only the name of the one with self-employment income. If both had net earnings from self-employment, a separate Schedule SE must be filed by each.

COMPUTATION OF INDIVIDUAL'S NET EARNINGS FROM FARM SELF-EMPLOYMENT (For social security)

- ▶ Each self-employed person must file a separate schedule. See instructions, page 3, for joint returns and partnerships.
- ▶ If you had wages of \$4,200 or more which were subject to the deduction for social security, do not fill in this page.
- ▶ If you had net earnings from self-employment from both farm and nonfarm sources, fill in only lines 11 and 12 (line 13, if applicable), and use separate Schedule C to compute your self-employment tax. Net earnings from farm self-employment should be entered on

line 28(d) of separate Schedule C (Form 1040).	
NAME OF SELF-EMPLOYED PERSON (as shown on social security card)	
CHOICE OF METHODS.—A farmer must report his net farm earnings for self-employment tax purposes. Net puted under the optional method (line 13, below) by a farmer whose GROSS profits are \$1,800 or less, or w more than \$1,800 and NET earnings are less than \$1,200. If your GROSS profits from farming are not more elect to use the optional method, you need not complete lines 11 and 12.	hose GROSS profits at
11. Net farm profit (or loss) from:	
(a) Line 10, page 1 (cash method), or line 10, page 2 (accrual method)	. \$
(b) Farm partnerships	
12. Net earnings from self-employment from farming. Total of line l1 (a) and (b)	. \$
Computation Under Optional Method	
13. If gross profits from farming (see note below) are:	
(a) Not more than \$1,800, enter two-thirds of the gross profits	
(b) More than \$1,800 and the amount on line 12 above is less than \$1,200, enter \$1,200) \$ <u></u>
NOTE.—Gross profits from farming are the total of the gross profits on line 5, page 1 (cash method), or line 5, page 2 (accrual method), plus the distributive share of gross profit from farm partnerships as explained on page 3.	
If line 12 (or line 13, if used) is under \$400, do not fill in rest of page.	
Computation of Self-Employment Tax (For social security)	
14. Maximum amount subject to self-employment tax	-
15. Less: Total wages, subject to deduction for social security, paid to you during the taxable year. (For wages reported on Form W-2, see "F. I. C. A. Wages" box.)	_
16. Balance (line 14 less line 15)	_
17. Self-employment income. Enter here your choice of: EITHER (1) the smaller of line 12 or 16 OR (2) the smaller of line 13 or 16	. \$
18. Self-employment tax—take $3\%\%$ of the amount on line 17. (You can do this by multiplying the amount	
on line 17 by .03375.) Enter this amount here and on line 15, page 1, Form 1040	. \$
THE DOMESTIC WILL BY THIS COURSE DAY OF THE PARTY OF THE	
IMPORTANT—FILL IN ITEMS BELOW COMPLETELY BUT DO NOT DETACH	

	n though income was received only in part of year).	
1. If less than 12 months, was short year du (c) Other.	be year beginning 1957 ending et (a) Death, or (b) Change in accounting period, or EMPLOYMENT TAX (Raising livestock, custom harvesting, etc.)	PLEASE DO NOT WRITE IN THIS SPACE
FARM ADDRESS (Rural Route, Post Office 3.	e, State)	
SOCIAL SECURITY ACCOUNT NUMBER OF PERSON NAMED IN ITEM 5 BELOW		ENTER AMOUNTS, IF ANY, SHOWN ON LINE 12 ABOVE\$
PRINT OR TYPE NAME OF SELF-EM	PLOYED PERSON AS SHOWN ON SOCIAL SECURITY CARD	LINE 13 ABOVE\$
FRINT OR TYPE HOME ADDRESS (I	fumber and Street, or Rural Route)	7. ENTER WAGES, IF ANY, SHOWN ON LINE 15 ABOVE \$
(City or Town, Postal Zone Number,	State)	8. SHOWN ON LINE 17 ABOVE \$